

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NOS. 1985-150-C AND 1996-249-C - ORDER NO. 2006-586
OCTOBER 4, 2006

IN RE: Docket No. 1985-150-C – Request of)	ORDER GRANTING
Payphone Service Provider (PSP) for)	INDIVIDUAL
Certification to Operate in the State of South)	EXEMPTIONS FROM
Carolina)	PSP GUIDELINES
)	
AND)	
)	
Docket No. 1996-249-C – Waiver of)	
Guidelines of Payphone Service Providers)	
)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Interstate Telecommunications, Inc (Interstate or the Company) for clarification and/or waiver for requirement of Pay Phone Service Providers (PSPs) to provide service on a two-way basis. The Company operates pay telephones in the State under Certificate No. 94-1046. The guidelines for PSPs as adopted by this Commission require:

Payphones shall operate so as to provide 2-way service; unless a specific exemption has been granted by the Commission. Requests for such exceptions must be initiated by the payphone provider and accompanied with a statement indicating justification and/or support from an appropriate law enforcement agency. Where incoming calls are blocked, the payphone

service provider shall arrange with the local exchange carrier (LEC) to have an intercept placed on the line which indicates to the caller that the called number is unavailable to receive incoming calls. Item 17 of the Guidelines. Interstate notes that this Commission added this language to the PSP requirements in response to the requests of a number of retail businesses and area law enforcement personnel for one way service at certain establishments where payphones were being used to facilitate the sale of drugs. The elimination of incoming calls was intended to discourage loitering at those places of business by people who were using the payphones to conduct illegal activities. While the Commission was sensitive to these concerns, it was also concerned that the general public had an expectation of being able to receive a call at a payphone in case of an emergency. Thus this rule was enacted to satisfy the requests of business owners and the law enforcement community, while minimizing the chance that a member of the general public would be unable to receive legitimate calls at payphones. Interstate states that, while this guideline has served a legitimate purpose, it has also had an unintended consequence of negatively impacting the legitimate use of one way service in specific payphone applications.

Interstate notes that various companies in the early 1980's began using coinless payphones in specific applications where there was a customer demand for public telephone service for the use of non-coin type calls such as operator-assisted calling and toll free dialing. Coinless payphones, according to Interstate, are generally more economical to install and maintain and the providing company is able to supply a larger number of these types of phones to satisfy the calling demands of the location without the

added expense of coin handling systems and the ongoing maintenance issues presented by the handling of the coins. These applications are generally in travel centers such as airports, truck stops, bus stops and in a more specific instance, United States military installations. The Company notes that military installations such as Fort Jackson, South Carolina concentrate a large number of soldiers who desire to make outgoing calls, with a limited need for incoming call completion. Generally, according to Interstate, these coinless phones are only deployed where traditional coin telephones with two-way service are also present. To prevent incoming call fraud and facilitate the use of these coinless phones, the local exchange carriers implemented one-way service for these applications.

Interstate states that it assumed the operation of approximately 500 of these lines from MCI at Fort Jackson and other military installations in this State in the 1999-2000 time period. The phones are provided for the use of soldiers who need to call family and friends and for their use in calling toll free numbers to contact various governmental agencies that serve these soldiers and their families. These phones are primarily indoors and are generally located in areas where traditional payphones with two way service are located.

The Company is attempting to move the carrier for these to BellSouth from carriers where these lines have been previously located. BellSouth is requiring Interstate to comply with the requirements now in place at the Commission by obtaining an exemption from the Commission for these lines. The Company therefore requests clarification by this Commission that these traditional coinless locations such as military

bases and transportation centers were not intended to be included in the requirement that all payphone service be provided on a two-way basis.

Alternatively, Interstate seeks a blanket exemption from the requirement to provide two-way service at these traditional coinless locations. Should the Commission not be inclined to offer such an exemption, the Company seeks a more limited exemption for one way service at the military installation at Fort Jackson, SC, the Naval Consolidated Brig, Charleston, SC, and Pilot Oil indoor locations in Lugoff, SC, Cayce, SC, Florence, SC, and Duncan, SC.

Further, the Company asks that the requirement to provide justification from an appropriate law enforcement agency also be waived, in view of the absence of need to use the one-way service to discourage illegal activities at these locations.

We have considered this matter and agree that the guideline requiring two-way calling may be inappropriate for certain coinless phone locations, such as those described by the Company. However, we are unwilling at this time to grant a blanket exemption from the policy. We do think that Interstate has stated sufficient reason for us to grant the exemption to allow one-way service at the individual locations described. Accordingly, we grant exemption from the guideline, so that one way service can be provided at Fort Jackson, SC, the Naval Consolidated Brig, Charleston, SC, and Pilot Oil indoor locations in Lugoff, SC, Cayce, SC, Florence, SC and Duncan, SC. Further, the requirement for justification from an appropriate law enforcement agency is waived, due to the nature of the locations involved.

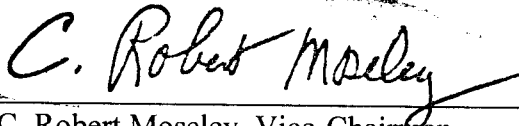
This Order shall remain in full force and effect until further Order of the
Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice-Chairman

(SEAL)